

My Health Care Costs Plan



Contents

My Plan for Health Care Costs	1
Section 1: Introduction	3
Why Take This Course?	3
Disclaimers	3
The State of Health Care Costs	4
Estimate Your Annual Household Health Care Costs.....	Error! Bookmark not defined.
Make a SAM Plan for Health Care Costs	5
Section 2: Size Up Your Situation	6
Rate Your Health Care Viewpoints.....	6
Assess Your Feelings Regarding Health Care	6
Assess Your Current and Future Health Conditions.....	7
Create a Family Health Portrait.....	7
Establish Your Health Care Coverage Must-Haves	8
Create a Health Care Coverage Checklist	8
Summarize Your Annual Health Care Costs	9
My Annual Health Care Costs Worksheet.....	9
Section 3: Analyze Your Circumstances	11
Identify Options for Paying for Health Care.....	11
Make a Backup plan	12
How Else Can You Cover Health Costs?	12
What are your Coverage Options? Know Where You Fit.....	14
Case Study: Choosing Coverage	16
Health Care for Unemployed, Self Employed or Early Retirees.....	16
Case Study: Health Care for Early Retiree.....	17
Tax-Advantaged Health Accounts.....	18
Check Your Knowledge: Using Tax-Advantaged Accounts for Health Care.....	20
Understand Disability Plans	21
Recognize Limited Benefit Plans	22
Navigate Through Your Health Care Choices	23
Identify Health Care Plans for Your Needs.....	25

Health Care Planner	25
Compare Your Health Insurance Options	27
Recognize Your Enrollment Period	28
My Open-Enrollment Period	28
Understand What Your Health Care Plan Covers	28
Scavenger Hunt: Your Health Care Coverages	29
Learn Health Care Language	30
How Well Do You Speak Health Care Costs?	30
Understand Your Health Care Rights	31
Seek Reliable Information	32
Minimize Your Health Care Costs.....	35
Verify Your Billing Records.....	37
Hone Your Skills for Challenging and Negotiating	38
Manage Your Health Records.....	38
How Do You Keep Your Health Records?	39
My Personal Health Record	39
Section 4: Make a Plan	42
Set Your Health Care Cost Game Plan.....	42
Reduce Your Health Care Costs.....	42
Create a Plan to Cover Health Care Costs	44
Make Health Care Costs Part of Your Financial Life	44
Measure and Evaluate Your Progress	44
Section 5: Conclusion	45
Health Care Cost Resources	45
Course Conclusion.....	47
Congratulations!	47
SAM Money Basics	47
Additional Courses	47
Disclaimers	47

Section 1: Introduction

Why Take This Course?

Do you ever wish you knew more about personal finance? No matter where you are in your financial journey, there always is more to learn. SAM's free online courses are not intended as financial advice, but as a starting point to raise awareness, to increase skills and knowledge related to personal finance, and to guide you to helpful resources.

Research shows that financial education is most effective when it is relevant to a decision you face right now. This course covers:

- How to navigate health care coverage decisions
- How to make a game plan for covering the costs of health care in the near future and through later life stages



Disclaimers

Throughout this course, any reference to a specific company, commercial product, process or service does not constitute or imply an endorsement or recommendation by State of Vermont LiveWell Vermont Wellness Program, Smart About Money (SAM) or the National Endowment for Financial Education.

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The State of Health Care Costs

The current state of health care and related costs fluctuates, seemingly weekly. On average, an American (non-elderly) household spends about 11 percent of its income on health care. Where does your health care spending fall?

Compare Your Annual Household Health Care Spending

Are you within the 11 percent statistic for your annual household health care spending? Use the [Household Health Spending Calculator](#) from the Peterson-Kaiser Health System Tracker to compare your spending levels.

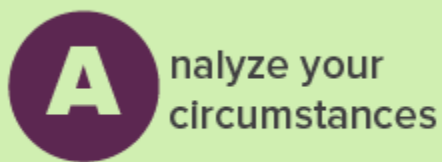


Make a SAM Plan for Health Care Costs

Now that you have an estimate for your annual health care spending, consider the following questions.

- How often do you visit a doctor, need emergency services, get new contacts or glasses, have your teeth cleaned or seek alternative care?
- Do you know what costs your health plan covers and what you might have to pay on your own?
- Do you have money set aside to cover your portion of health care costs this year, next year and in the future?
- Do you have a plan for paying for health care in case you lose your health plan benefits or have a major life disruption?

Planning for health care spending is complex. Use these SAM action steps to guide you.



- Size up your current health care needs, costs and coverages.
- Analyze your circumstances related to understanding health care decisions and managing your health care costs.
- Make a game plan to cover the costs of health care needs.

Section 2: Size Up Your Situation

Rate Your Health Care Viewpoints

Thinking about health care can be daunting. This course focuses on what you can control, especially during times of industry and legislative changes.

Start by assessing how you feel about managing your health care. What emotions do you have? Do you think much about your health and the costs to maintain it? What do you hope for in your financial future as it relates to health care?

Assess Your Feelings Regarding Health Care



Check off your answer(s) below to rate how you feel about health care, the costs you incur and your ability to pay for it.

	Agree	Not Sure	Disagree
I have a health care plan (or other coverage) in place.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I value the benefits my health care plan provides.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I understand how my health insurance plan works.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My health care costs are part of my whole money management plan.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel in control of my health care spending.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I know my options for seeking quality, affordable health care.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I have a plan for paying for my health care, including health emergencies.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Assess Your Current and Future Health Conditions

What health conditions are you experiencing and what can you expect in the coming years? Knowing health conditions that run in your family can help you plan for health-related costs.

The U.S. Surgeon General suggests taking these steps to discuss health history with family members:

1. Make a list of relatives.
2. Prepare questions to focus your discussions and keep a record of answers.
3. Find a mutually convenient time to talk, explaining what you are doing and why.
4. Focus on one question at a time, respecting others' feelings about what they want to share.
5. Update as family members are born, diseases develop or relatives pass away so you can share this valuable information with other family members.



Create a Family Health Portrait

Check out [My Family Health Portrait](#), the U.S. Surgeon General's online tool to help you trace illnesses in your family. Save and update this record to share with doctors and other family members.

Establish Your Health Care Coverage Must-Haves

Unless you are paying with cash or a government-funded program, you will want to evaluate insurance coverage options.

Create a Health Condition Checklist

Complete this checklist to guide your insurance or other health cost payment options. Consider your own needs and those of anyone else in the household who shares your insurance.

1. List medications or other goods and services you need to maintain your health. You might also list any coverages you currently have with your health plan(s).
2. Mark each item listed regarding its necessity. For example, someone with diabetes might mark insulin coverage as a “must-have.”
3. Make any notes about costs or other information you need to research before making a decision about insurance coverage.

Complete a checklist for each person in your household and for all types of health care (e.g., medical, dental, vision, etc.).

HEALTH CONDITION OR COVERAGE	MUST HAVE	WOULD LIKE	NOTES AND COSTS
<i>Example: Insulin</i>	X		

Use this list of “must-have” and “would like” items when reviewing insurance options. Knowing what costs to expect will help you prepare for them.

Summarize Your Annual Health Care Costs

For the purposes of this course, health care costs include insurance premiums, services (anytime you see a specialist — health, dental, vision, hearing, alternative care, physical therapy, etc.) and goods (prescriptions, over-the-counter remedies, crutches, wheelchairs, topical ointments, etc.).

National health care expenditures are expected to grow through 2026. The [Centers for Medicare & Medicaid Services](#) estimate:

- Health care spending will comprise approximately 20 percent of the U.S. economy by 2026, up from 18 percent in 2016.
- Prescription drug pricing will grow the fastest, rising about 6 percent each year.
- An increasingly aging population and high demand for services will drive up national health spending.
- Through 2026, growth in personal health care spending is projected to average 5.5 percent.

My Annual Health Care Costs Worksheet



Make a list of regular health costs, noting how you pay for them. For example, you know that you fill a prescription every 90 days, you see your specialist every three months or you have a supplemental prescription plan that you pay monthly.

Complete this worksheet for every member of the household.

1. Describe the health care item or related expense in the first column.
2. Identify the frequency of the item or expense in the second column.
3. Assign a cost to the item or expense in the third column.
4. Calculate the annual cost in the fourth column.
5. At the end of the worksheet, tally the total annual costs for all items.

HEALTH CARE ITEM OR EXPENSE AND FREQUENCY	YEARLY FREQUENCY	COST	ANNUAL COST
<i>Example: Insurance monthly premium (12 times per year)</i>	12	\$275.00	\$3,300.00
<i>Example: Specialist visit (copay 4 times per year)</i>	4	\$50	\$200.00
Type item 1 here		\$	\$
Type item 2 here		\$	\$
Type item 3 here		\$	\$
Type item 4 here		\$	\$
Type item 5 here		\$	\$

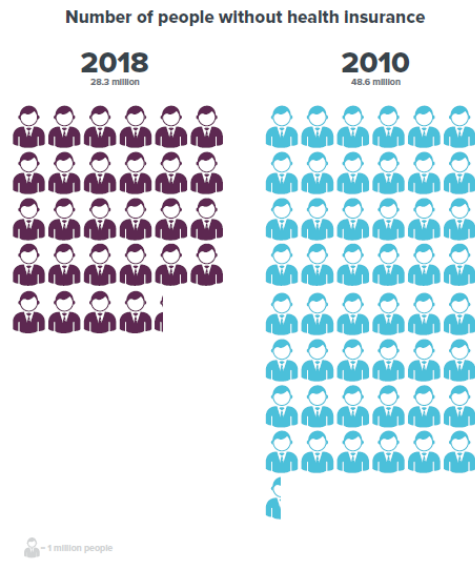
HEALTH CARE ITEM OR EXPENSE AND FREQUENCY	YEARLY FREQUENCY	COST	ANNUAL COST
Type item 6 here		\$	\$
Type item 7 here		\$	\$
Type item 8 here		\$	\$
Type item 9 here		\$	\$
Type item 10 here		\$	\$
TOTAL ANNUAL COSTS			\$



Ok, breathe in. If you worry about paying for health care, the next section introduces strategies you can use to control costs.

Section 3: Analyze Your Circumstances

Identify Options for Paying for Health Care



Source: [National Center for Health Statistics](#)

You cannot control health conditions inherited from your family, but you have choices in how to manage the costs. You can:

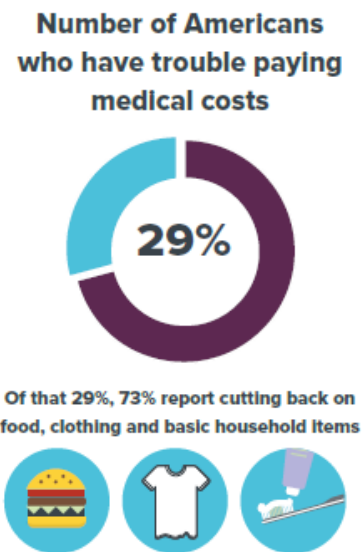
1. **Accept the costs of health care.** Although most Americans receive health insurance through an employer or government plan, others pay out of pocket. Just like saving for retirement, it is a good idea to have a savings fund dedicated to health care costs.
2. **Reduce the costs of health care.** It takes some effort, but it's possible to save on health care by maintaining a healthy lifestyle and taking advantage of employer-sponsored wellness programs, discount prescription or service cards, free preventive services, nutritional counseling, teledoc/telehealth services, generic drugs, etc..
3. **Avoid costs of health care.** Some people will choose to forego health care services like putting off an expensive tooth crown, not filling a prescription or ignoring a chronic disease/condition. These tactics can carry a higher cost if they lead to an emergency room visit, hospital stay or more serious health issue.
4. **Use insurance to share health care costs.** Insurance helps you manage risk by passing some of the cost to a third party — the insurance company — in exchange for the payment of a premium.

Create an Medical Emergency Savings Fund

Forty-four percent of people could not afford an emergency medical expense of \$400. Take SAM's [Emergency Fund Plan](#) course to get started on your medical emergency savings fund.



Make a Backup plan



Source: [Kaiser Family Foundation](#)

Sports teams have second-string players, teachers have substitutes and you might have an external hard drive for your computer files. But what about a backup plan for paying medical expenses? Regular savings funds will not always cover the cost of a serious illness. Creating a backup plan is essential to securing your financial well-being.



How Else Can You Cover Health Costs?

Explore each choice to consider a backup plan for covering health care costs.

If I seek health care services but do not have insurance or if insurance does not fully cover my costs, I can:

Use Savings	<p>If you have set aside savings for health needs, then this is the perfect time to use them. Sometimes an emergency will drain the whole fund at once. You will need to start saving all over again, but you can lessen your worries knowing that the funds served their purpose.</p> <p>Health savings accounts (HSAs) and flexible spending accounts (FSAs) encourage saving to cover health expenses through payroll deductions.</p>
Work with a Patient Advocate	<p>Case management professionals can help you navigate health care systems, choose health care plans, negotiate with payers and providers or even work toward copay assistance.</p> <p>Find patient advocates through your health insurance plan, the medical facility or office from which you are receiving care, or organizations such as Patient Advocate Foundation.</p>

Negotiate with the Provider	Providers may work with you to lower rates or develop payment plans. Ask about fees or charges associated with the plan, and ask if you can get an interest-free plan. Be reasonable about what you can afford and make the payments on time.
Use Credit	<p>Charging a health care service on a credit card will work, if you can pay it off the next month. However, transferring medical debt to credit card debt can lead to a cycle of minimum payments, high interest and fees. This can reduce credit available for other needs — all of which can hurt your credit.</p> <p>Some providers accept medical credit cards (often you can apply in the office). Many cards offer an interest-free period of six to 12 months, but then charge a high interest rate. Try to pay in full before the interest-free period lapses.</p> <p>Personal loans may help consolidate payments to multiple providers, but you need good credit to secure a personal loan at a low rate.</p> <p>Payday loans and cash advances carry high interest and often create a cycle of debt.</p>
Borrow from Friends or Family	If you borrow from friends or family, set terms just like a regular loan so they know when you plan to pay them back. If you can't afford to pay anything right away, make sure to clarify this. The more honest you can be in the moment, the better.
Go on Disability	<p>Some employers provide short-term and long-term disability as part of their benefits package. Generally, disability coverage is limited to 60 to 70 percent of your gross income.</p> <p>Short-term disability coverage pays a portion of your income for a limited period, up to a year. Long-term disability picks up after you have exhausted your sick leave and your short-term disability. This kind of coverage may last for a specific time or until you reach a certain age. Because of limitations on group disability coverage, you may benefit from having your own individual coverage.</p>

Can Medical Debt Hurt Your Credit?

The three major credit reporting agencies (Experian, TransUnion, Equifax) have a 180-day waiting period before including medical debt on a credit report. Some credit scoring models do not weigh medical debt as highly as other debt for a credit score.



What are your Coverage Options? Know Where You Fit



Have You Served in the Military?

Veterans and active military have [additional benefits](#) to consider including [Tricare](#), the health care program for over 9 million uniformed service members, retirees and their families.

Click on each category to learn more about who typically uses its plan offerings, the kinds of plans included, usual costs and how to get more information. Plans in the Affordable Care Act (ACA) Marketplace must meet [minimum essential coverage \(MEC\) guidelines](#). Be aware of essential services in whichever plan you choose.



- **Private or Employer-Based Health Insurance**

- **Who:** Almost 64 percent of Americans buy their own insurance or are covered through employer-based health insurance.
- **What:** Plans included in this category are:
 - Conventional (fee-for-service) plans where you can choose any provider.
 - Preferred provider organization (PPO) plans where you pay less if you stay in-network for services, but you can go out-of-network for higher costs.
 - Health maintenance organization (HMO) plans where you receive comprehensive services within a provider organization.
 - Point-of-service (POS) plans which are similar to HMOs but allow you to go out of the organization for services if you pay the additional costs.
 - Medigap supplemental plans that Medicare recipients often purchase to cover deductibles, copayments and other expenses not covered by Medicare.
 - High-deductible health plans (HDHP) come with higher deductibles but usually lower your monthly premium. In [aggregate deductible](#) plans, family deductibles must often be met before individual costs are covered. These plans can often be combined with a health savings account (HSA), so you pay for medical costs with pretax money.
- **Costs:** Your costs will vary depending on negotiated rates for premiums, copays and deductibles. Continuing your health insurance (for up to 18 months) after leaving a job under COBRA is more expensive because you are paying a full premium.
- **Get More Information:** If you are using an employer's insurance, contact your human resource department and refer to your insurance policy summary. When shopping for your own coverage, [use this map from the National Association of Insurance Commissioners \(NAIC\)](#) to check out your state's Division of Insurance, learn about regulations and verify insurance broker licenses.
- If your employer offers a plan, you may still want to check out the ACA health exchange (marketplace). The government lays out [affordability qualifications for health plans](#) to help you compare.

- **ACA Health Exchange (Marketplace)**

- **Who:** About 12 million Americans are enrolled in ACA health exchanges (marketplaces). If you are self-employed, unemployed, work for a small business or if your employer does not offer health insurance, you probably bought coverage through your state ACA health exchange.
- **What:** Plans included in this category are listed in "metal" categories.

- Bronze in which the insurance company pays an estimated 60 percent of costs; you pay 40 percent.
- Silver in which the insurance company pays an estimated 70 percent of costs; you pay 30 percent.
- Gold in which the insurance company pays an estimated 80 percent of costs; you pay 20 percent.
- Platinum in which the insurance company pays an estimated 90 percent of costs; you pay 10 percent.

Higher premium categories (gold and platinum) cover more of your total costs; lower premium categories (bronze and silver) cover less. A catastrophic plan is available for those under 30 or who meet [hardship exemption](#) criteria. Catastrophic plans feature low premiums but much higher deductibles. You must meet your deductibles (current deductible is \$7,900), then the insurance pays for all your medical costs.

- **Costs:** Your premiums, deductibles and copayments vary depending on the plan category you choose. Depending on your income, you may qualify for premium tax credits or Cost Sharing Reductions (CSRs). If you choose a catastrophic plan, you cannot use tax credits for your premiums; the current (2019) deductible is \$7,900.
- **Get More Information:** Access health exchange information, see if you qualify for subsidies and enroll at [Health care.gov](#) (which will direct you to your state's ACA exchange). If you work for a small business, someone familiar with human resources may be able to help. You can enlist a reputable broker through the exchange. Find one who works with all the insurance companies in your area and offers unbiased advice. Brokers are usually paid by the insurance company, so there is no charge to you for their help.

• Medicare

- **Who:** If you are 65 or older, have certain disabilities or end-stage renal disease, you may enroll in Medicare.
- **What:** Medicare is a federal program divided into “parts” that cover different aspects of health care:
 - Part A covers inpatient hospital care, critical access hospitals and skilled nursing facilities (rehabilitation — not long-term care). Most Medicare recipients receive this coverage without a premium, since they paid for it while working.
 - Part B, for a monthly premium, provides insurance for doctors' services and outpatient care including physical/occupational therapy and home health care.
 - Part D provides prescription drug coverage for a monthly premium.
 - Medicare Advantage (sometimes called Part C) is offered by private insurance companies approved by Medicare.
- **Costs:** Medicare costs vary depending on how long you have paid into the program, what plans you choose and whether you use a Medicare Advantage program or standard Medicare.
- **Get More Information:** Use [Medicare.gov](#) to sign up for Medicare and find out more about coverages and costs, including Medigap and Medicare Advantage plans.

• Federal Benefits

- **Who:** In 2018, just over 73 million individuals, including families, children, pregnant women, the elderly, and people receiving Supplemental Security Income (SSI) were covered by Medicaid and the Children's Health Insurance Program (CHIP).

- **What:** Medicaid and CHIP are joint federal and state programs. Federal guidelines dictate what services states are required to offer, but each state may offer additional services. [Contact your state for more information about qualifications and services.](#)
- **Costs:** States may charge premiums and establish costs for copayments, deductibles and similar charges depending on your income level and needs. Most vulnerable groups, such as women and children, are covered for free.
- **Get More Information:** Use the Benefit Finder at [Benefits.gov](#) to identify federal benefits for which you or family members might qualify, including Medicaid and CHIP.

Case Study: Choosing Coverage

Choosing the right coverage depends on a lot of circumstances. You may have to research several of them to know what is best for your needs, as this case study demonstrates.



Jillian is 37, single and has a 13-year old son and an 11-year old daughter. Except for minor colds and illnesses, Jillian and her children are healthy. She works two part-time jobs, but neither employer offers medical coverage. Which options can Jillian explore to find health care plans for her and her children? Select all that apply.

- Private or employer-based health insurance Jillian can purchase private health insurance, but costs might be very high.
- ACA health exchange (marketplace) Jillian can look for coverage through a health exchange, especially if she qualifies for an income-based subsidy.
- Medicare Jillian and her children do not currently qualify for Medicare.
- Federal benefits Jillian can research federal benefits for which she and her children may qualify.

Health Care for Unemployed, Self Employed or Early Retirees

If you are unemployed, self-employed or want to retire before age 65 when you can apply for Medicare, you need to work harder to find quality, affordable insurance.

Click on each title to explore options for finding health care coverage.



Employer-Based Health Insurance

- If you have a working spouse or partner, check for eligibility through their employer's group health coverage.
- If you are under 26, check into joining a health care plan through your parents' or guardians' employer.
- If you lose your job, COBRA lets you keep your employer coverage for 18 months, but it will cost more. You have to pay the full premium, not just the portion you paid while employed.
- If you are retiring, check to see if you have employer-sponsored retiree health coverage through your current or a previous employer. Check into eligibility requirements before you retire.
- For early retirees, COBRA may be a good option if you retire within 18 months of turning 65.

Private Insurance

- Though private insurance is often more pricey than group coverage, you can definitely check into this option, especially if you are in good health.
- Private insurance lets you customize coverage to your specific needs and shop for competitive rates.

ACA Health Exchange (Marketplace) and Federal Benefits

- If you lose your job or retire early, your household income changes. This can make you eligible for income-based subsidies of insurance premiums or federal benefits.
- If you are turning 26 but not fully employed, you may be eligible for income-based subsidies or federal benefits. Find out using [Kaiser Family Foundation's Health Insurance Marketplace Calculator](#).
- Catastrophic plans are available for those under 30 or who meet [hardship exemption](#) criteria. Catastrophic plans feature low premiums but much higher deductibles. You must meet your deductibles (current deductible is \$7,900), then the insurance pays for all your medical costs.
- Individuals or survivors of those who actively serve or have served in the military have [additional benefits](#) to consider including [Tricare](#).

The key to finding insurance on your own is shopping around, knowing your options and weighing the benefits/costs under each plan. One option is working part time for a company offering benefits for part-time workers.



Case Study: Health Care for Early Retiree

Not everyone can work to full retirement age. As this case study shows, someone retiring before Medicare eligibility at age 65 has other options.

Josef is 59 and he was working full time until last week when his company shut down. His wife, Lydia, works full time and uses her employer's health insurance. Josef and Lydia have saved for retirement, but their savings will not pay for everything Josef needs until he can qualify for

Medicare. What options can Josef and Lydia explore to pay for his medical needs? Select all that apply and then click Submit.

- **Private or employer-based health insurance:** Josef may opt to purchase private health insurance, but costs are often very high. Because job loss is usually a qualifying event through an employer’s plan, Josef may be able to join Lydia’s health care plan. Josef may also be able to secure COBRA coverage through his current employer, although it only covers 18 months.
- **ACA health exchange (marketplace):** Josef could look for coverage through his state’s ACA health exchange. Given that Lydia still works, however, his premiums may be higher than if he joins Lydia’s plan, so he should compare costs.
- **Medicare:** Josef will not qualify for Medicare until he turns 65.
- **Federal benefits:** It never hurts to search through federal benefits, but Josef probably will not qualify.



Qualifying Events for Your Health Plan -

Qualifying events often include losing a job or taking early retirement. These events may make it possible for you to enroll in a spouse’s plan immediately rather than waiting for the open-enrollment period.

Tax-Advantaged Health Accounts

You may have one of the following accounts if you have private or employer-based health care. Tax incentives help save you cover costs and automatic payroll deductions are a great way to build medical emergency savings — just make sure to check if the funds roll over from year to year.



Account Name	Description	Pros	Cons
Flexible Spending Account (FSA)	<p>You contribute pretax money from your paycheck into a fund to pay certain out-of-pocket health care costs.</p> <p>Your employer contracts with an account administrator for the savings account and disbursements.</p>	<ul style="list-style-type: none"> • Pretax dollars pay for qualified health care costs. • Funds are immediately available – no need to wait for contributions to equal expenses. • FSA administrator often issues debit card for paying 	<ul style="list-style-type: none"> • Reimbursement claims must have proof of expense and a statement that it has not been covered by your plan. • Annual contribution limits.

Account Name	Description	Pros	Cons
Health Reimbursement Account (HRA)	<p>An employer-funded group health plan from which employees are reimbursed tax-free for qualified medical expenses up to a fixed dollar amount per year.</p> <p>The employer funds and owns the account.</p>	<p>at the time of service, making record keeping easier.</p> <ul style="list-style-type: none"> • Can roll over unused amounts, if allowed by employer. • Reimburses employee for expenses tax-free. 	<ul style="list-style-type: none"> • Expenses must meet qualification standards. • Although employers may opt to let employees roll over up to \$500 to a new plan year, many plans are “use it or lose it” so that you must use the money within a year (12 month period). • Not eligible with a marketplace plan. • Can’t be moved from one employer to another. • Enrollment only during open-enrollment period, at beginning of new job or with qualifying event. • Sometimes cannot be used to reimburse for health insurance premiums. • Only employer may contribute. • Can’t be moved from one employer to another. • Employer can limit what and who is eligible for reimbursement.

Account Name	Description	Pros	Cons
Health Savings Account (HSA)	<p>You set aside money on a pretax basis to pay for qualified medical expenses.</p> <p>Some health insurance companies offer HSAs for high-deductible plans (the plan must be HAS-qualified). You can also open an HSA through some banks, credit unions and other financial institutions.</p>	<ul style="list-style-type: none"> • Pretax dollars pay for qualified health care costs. • May earn interest, which is not taxable. • May be able to combine with a marketplace plan. • Unspent funds roll over. • Others may contribute to the account, including your employer. • You own it and take it with you to another job. • Can offset the cost of high-deductible health plans. • Often debit card is issued to pay at time of service, making record keeping easier. 	<ul style="list-style-type: none"> • Annual contribution limits. • Expenses must meet qualification standards. • Only available if you are in an HSA-qualified high-deductible plan. • When you start receiving Social Security benefits or enroll in Medicare, you no longer can contribute to an HSA.



Check Your Knowledge: Using Tax-Advantaged Accounts for Health Care

If you use an employer-based or private health insurance plan, you may be able to use a flexible spending account, health reimbursement account or health savings account to save money. Read each description of the type of account being used.

Tax-Advantaged Plan Flexible Spending Account (FSA)

Description

Xavier contributes money to an account with each paycheck. When he goes to the doctor, he uses a debit card for his copay. If Xavier does not use all of

Health Reimbursement Account (HRA)

Health Savings Account (HSA)

his contributions to the account during a specified 12-month period, he will “lose” the money.

Maria’s employer contributes money to an account so that costs for her dependent son’s prescriptions are reimbursed tax-free. Her employer allows that any funds she does not use during the year can be carried over to the next year; but she cannot take the funds with her if she leaves her job.

Mark has an HSA-qualified, high-deductible health plan (HDHP), so he contributes to an account he opened at his credit union to help offset some costs. Mark turns 65 next year and will join Medicare, so he will no longer be able to contribute to the account.

Understand Disability Plans



Learn More About Disability Plans

Visit [SAM’s Money Basics: Insurance course](#) to learn more about disability plans, what they cover and what to look for.

Check into disability income coverage through your employer or purchase your own policy in case you or a family member becomes permanently disabled and cannot earn an income. A non-cancelable, guaranteed policy is good until you turn at least 65.

Some employers provide short-term and long-term disability as part of their benefits package, which is usually less expensive than getting your own. But limitations may require you to buy supplemental individual coverage.

No disability insurance will replace 100 percent of your income, but it can provide enough to pay immediate bills until you return to work full time. Talk to your human resources department about disability coverage offerings. If your employer does not offer such a plan, seek out an individual plan to protect yourself.



Recognize Limited Benefit Plans



Minimum Essential Coverage

ACA exchange (marketplace) plans must meet minimum essential coverage (MEC) guidelines. This is not a requirement of other insurance plans. Be aware of [essential services](#) covered in these plans before selecting your own.

Though legislation changes regarding the following plans as to whether they are considered “qualified health coverage,” there are limited benefit plans that can provide coverage for particular health care settings, ailments and diseases. Often these plans offer lower premiums but more restricted benefits than major insurance coverages. They can serve as supplements to a regular medical plan, if desired.



- **Basic Hospital Expense** covers continuous in-hospital coverage and some hospital outpatient services for a period (usually not less than 31 days).
- **Basic Medical-Surgical Expense** covers costs of surgery, including a certain number of days of in-hospital care.
- **Hospital Confinement Indemnity** to cover a fixed amount for each day that you are in a hospital.
- **Accident Only** covers death, dismemberment, disability or hospital and medical care caused by an accident.
- **Specified Disease** coverage pays for the diagnosis and treatment of a certain disease, such as cancer.
- **Other Limited** coverage can include only dental, vision or other care.
- **Medical Cost Sharing** offers a group of individuals a way to “share” medical costs. To participate, you must meet all requirements which may include dietary and exercise requirements as well as religious views.

According to [Health care.gov](https://www.healthcare.gov), plans offering discounts on medical services do not qualify as coverage. You can find lists of [qualifying health coverage plans from the IRS](#).

Navigate Through Your Health Care Choices

No one can say exactly what might happen at any particular time in life, but general recommendations can be made for different life stages. Complete the following sentence by choosing the group in the dropdown menu to which you belong.

I consider myself to be in the _____ [young single; young family; maturing single or family; approaching retirement] category.



Young Single

- Includes recent college graduates, those just entering the workforce and single individuals without dependents.
- Tendency to want to save money on health care premiums.
- Look for savings through managed-care (HMO or PPO), high-deductible, catastrophic or bronze (exchange) plans.
- Consider a health savings account (HSA).
- Identify insurance needs relevant to your lifestyle, habits and hobbies.

Young Family

- Includes newlywed/partnered and those with newborns, young children or new adoptions.
- Be aware of enrollment window for new additions.
- Look for savings through flexible spending or health savings accounts for child care and out-of-pocket medical expenses.
- Compare both spouse/partner's employer-based insurance to best cover all family members.

Maturing Single or Family

- Includes singles and families with changing medical needs related to maturity, orthodontic/vision/hearing needs or college-bound students, possibly raising grandchildren.
- Be aware of enrollment window for new additions and children turning 26.
- Look for savings through flexible spending or health savings accounts for pretax savings on out-of-pocket expenses.
- Compare both spouse/partner's employer-based insurance to best cover all family members.
- Keep in mind coverages extend to children until 26, so reproductive health might now apply to adult children.

Approaching or In Retirement

- Includes those 55 or older, some with children still at home or college, possibly raising grandchildren.
- Be aware of choices like COBRA or ACA health care exchange (marketplace) plans in case of job loss or early retirement.
- Look for savings through flexible spending or health savings accounts for pretax savings on out-of-pocket expenses.
- Consider coverages offered by working spouse/partner employer for covering all needs and all family members if retiring early.
- Investigate long-term care insurance to find out about premiums, triggers for benefits and waiting periods.

- Approaching 65? Look into Medicare supplemental coverage to pay for certain expenses, including deductibles, not covered by Medicare.

Identify Health Care Plans for Your Needs

When it comes to choosing a health care plan, you have to understand the category of plan, the types of accounts or other plans available, and your current needs. Choosing a health care plan is not a simple and clear-cut task. Each health care consumer has to do some leg work to make a choice.

Health Care Planner

Use this selection tool to get direction on the health care options you should investigate. Select the life stage that best describes you. Then move left to right, selecting buttons that best describe you and your family. Depending on your selections, other plans to consider are displayed in column five.



My Life Stage Is...	My Dependents Include...	My Working Situation Is...	I Have Health Care Available Through...	Other Plans I Need to Consider Include...
Young Single	None	<ul style="list-style-type: none"> Working Not working Under 26 	<ul style="list-style-type: none"> Employer COBRA Employer or private insurance through parents Private insurance ACA marketplace (Exchange) Federal benefits 	<ul style="list-style-type: none"> Flexible spending account (if offered by employer) Health reimbursement account (if offered by employer) Health savings account (available only if you are in an HSA-qualified, high-deductible plan) Short-term and long-term disability
Young Family	<ul style="list-style-type: none"> Significant Other Significant other and child(ren) Child(ren) 	<ul style="list-style-type: none"> Working Not working Under 26 	<ul style="list-style-type: none"> Employer COBRA Employer or private insurance through parents Private insurance ACA marketplace (Exchange) 	<ul style="list-style-type: none"> Flexible spending account (if offered by employer) Health reimbursement account (if offered by employer) Health savings account

My Life Stage Is...	My Dependents Include...	My Working Situation Is...	I Have Health Care Available Through...	Other Plans I Need to Consider Include...
			<ul style="list-style-type: none"> ○ Federal benefits 	<p>(available only if you are in an HSA-qualified, high-deductible plan)</p> <ul style="list-style-type: none"> • Short-term and long-term disability
Maturing Single or Family	<ul style="list-style-type: none"> ○ None ○ Significant other ○ Significant other and child(ren) ○ Child(ren) 	<ul style="list-style-type: none"> ○ Working ○ Not working 	<ul style="list-style-type: none"> ○ Employer ○ COBRA ○ Private insurance ○ ACA marketplace (Exchange) ○ Medicare ○ Federal Benefits 	<ul style="list-style-type: none"> • Flexible spending account (if offered by employer) • Health reimbursement account (if offered by employer) • Health savings account (available only if you are in an HSA-qualified, high-deductible plan) • Short-term and long-term disability
Approaching or In Retirement	<ul style="list-style-type: none"> ○ None ○ Significant other ○ Significant other and child(ren) ○ Child(ren) 	<ul style="list-style-type: none"> ○ Working ○ Not working ○ Nearing retirement 	<ul style="list-style-type: none"> ○ Employer ○ COBRA ○ Private insurance ○ Private insurance in addition to Medicare ○ ACA marketplace (Exchange) ○ Medicare ○ Federal benefits 	<ul style="list-style-type: none"> • Flexible spending account (if offered by employer) • Health reimbursement account (if offered by employer) • Health savings account (available only if you are in a high-deductible plan)

My Life Stage Is...	My Dependents Include...	My Working Situation Is...	I Have Health Care Available Through...	Other Plans I Need to Consider Include...
				<ul style="list-style-type: none"> Short-term and long-term disability

Compare Your Health Insurance Options

The best choice for health care coverage isn't always the lowest-cost option. Knowing you can go to your regular provider(s), having prescription coverage for high-priced (nongeneric) drugs and keeping coverage for specific conditions can mean you pay more in a monthly premium. Once you narrow down your health care plans, consider the following questions to help you decide.



1. What kind of plan is it?
2. Does the plan fit your list of "must-have" items? What about the "would like" items?
3. Are your doctors and other providers covered by the plan?
4. Will you need referrals to see specialists?
5. Are current prescriptions for your family covered?
6. What options exist in the plan to lower prescription costs?
7. Do any of the restrictions or exemptions identified in the plan apply to your family?
8. What will your total out-of-pocket expenses be for the year? This includes premiums, deductibles, copays, coinsurance, exemptions, out-of-network, etc.
9. What other information do you need to make a decision and who can help you get the information?

Recognize Your Enrollment Period

The open-enrollment period is your chance each year to change your health care plan. If you miss the open-enrollment period, you usually can't make changes unless if you have a "qualifying event" such as marriage, a new baby or losing your existing coverage.

Use these guidelines when reviewing your coverage during open enrollment:



Open Enrollment Guidelines

Use these guidelines to help when you need to make a change or review your coverage during open enrollment:



Don't renew automatically but make a choice during the enrollment period. Look for changes in costs and review questions with a human resource person or qualified benefit representative or broker.



Contemplate increases or decreases to flexible spending account and health savings accounts.



Consider being added to a spouse's or partner's plan, especially if there are significant cost savings.

My Open-Enrollment Period

Do you know when you can make a change to your health care coverages? Check your knowledge by answering the following questions.



1. Medicaid and Children's Health Insurance Program (CHIP) accepts enrollments anytime during the year. [True; False]
2. The open-enrollment period for an employer plan is _____. [defined by the company; the first week of January each year; the same time as those for government plans]
3. Medicare open enrollment (annual election period) occurs _____. [the first week of June each year; from October 15 to December 7 each year; between December 1 and December 31 each year]
4. The Health Exchange (Marketplace) open-enrollment period usually begins each year on November 1. [True; False]
5. An employee who is eligible for COBRA coverage must be given at least _____ days from the date of the election notice to take COBRA coverage. [30; 60; 90]

Answers: #1: True; #2: defined by company; #3; from October 15 to December 7 each year; #4: True; #5: 60

Understand What Your Health Care Plan Covers



Understand What Your Health Care Plan Covers

Issue	Typical Costs with Insurance	Typical Costs without Insurance
Alcohol or Drug Rehab	Copay + 10%-50% Coinsurance	\$2,000 - \$50,000+
Blood Tests	\$0 - \$30	\$100 - \$300
Eye Exam	\$5 - \$50	\$114 (national average)
Physical Therapy	\$10 - \$75	\$50 - \$350+
Tetanus Shot	\$10 - \$40	\$25 - \$60
Type 2 Diabetes Medications	\$10 - \$200 monthly	\$200 - \$500 monthly
X-ray	\$10 - \$50	\$100 - \$1,000

Source: <https://health.costhelper.com/>

Whether you have a health plan through an employer, a health exchange, Medicare/Medicaid or if you pay as you go, knowing what is covered and what your costs will be is important to your financial situation.

Consider this scenario: During a Saturday morning soccer game, your daughter is elbowed in the eye and quickly experiences pain. You have health insurance through your employer, and it covers emergency room visits for a \$100 copay. So, you take your daughter to the nearest ER. Fortunately there's no serious damage, but she does have a corneal abrasion that is treated with a topical anti-inflammatory drug and antibiotic. You leave the ER with instructions to follow up with an ophthalmologist in the next few days. Whew — glad that's over, right?



Well, maybe not. Depending on your coverage, an ER visit can quickly exceed your copay — sometimes costing more than your mortgage payment. Charges for using out-of-network facilities, ambulance fees and even physician costs (many ER doctors are “contractors” who may not be within an insurance network) can add up to huge bills. And, the costs are even higher if you don't have insurance.

Knowing what your health policy covers can guide you in containing costs.



Scavenger Hunt: Your Health Care Coverages

When you sign up for insurance coverage, you should get a summary of the benefits under the plan. The National Association of Insurance Commissioners provides a [sample Summary of Coverage](#) to guide you. Use these definitions to complete the My Health Care Coverages worksheet regarding your own policy.

Print this worksheet to identify your health care coverages. At the end, list any other questions that come to mind as you review your policy. Note: You can complete this for any type of coverage you have (e.g., medical, dental, vision, etc.).

WHAT TO LOOK FOR IN THE SUMMARY OF BENEFITS	COST	NOTES
Annual deductible (individual and family)		
Referral requirements		
Individual and family out-of-pocket annual limit		
Coinsurance		
Prescription copay (generic drug)		
Prescription copay (brand name drug)		
Facility fee for outpatient surgery		
Emergency room copay		
Out-of-network specialist copay		
Urgent care copay		
Routine exam, dental cleaning or office visit copay		
Vaccinations copay		
Exclusions		
Restrictions		

Are there any other questions that come to mind as you complete your scavenger hunt? List them here:

Learn Health Care Language

Do you speak health care? There are certain terms you will need to know to understand your explanation of benefits.

How Well Do You Speak Health Care Costs?

Drag each word over the definition. Need more help? Check out the [glossary at Health care.gov](#). Also, make use of the customer help line listed on your insurance card or policy and your human resource representative. These valuable resources can help you understand your costs and save you money.



Coinsurance	The percentage of costs you pay after you've paid your deductible. Your portion is usually the smaller percentage and the insurance carrier covers the larger percentage.
Copay	The fixed amount you pay to a provider for an appointment, service or medication, whether the deductible has been met or not.
Deductible	The amount you pay before the health insurance plan begins to pay for covered services.
Exclusions (limits)	Excluded services, procedures and treatments.
In-network, preferred provider and participating provider	Using these providers usually saves you money but may limit your choice of providers.
Lifetime maximum	The total lifetime amount your policy will pay for services. After meeting this total, your plan will no longer pay for covered services.
Out-of-network facility/provider and specialists	Facilities and providers that are not in your insurer's network. They might cost more and may not be covered by your plan.
Out-of-pocket limit	The most you pay during a policy period for your share of the cost of covered services. Premiums are not included. The family out-of-pocket limit is usually twice the individual amount. (This means that if two people in the family have met the out of pocket limit, it has been met for everyone in the family.)
Preauthorization	Authorization by your insurer for you to receive a service, treatment plan, prescription medication or durable medical equipment.

Scrutinize coverages for inpatient, outpatient, home health, skilled nursing care and durable medical equipment. Most health care policies will not cover long-term care; these policies are usually purchased separately.



Stay In-Network for Cost Savings

Never assume you are in network. Always check by calling the number on the back of your insurance card. Doctor's offices deal with many patients and insurance carriers, so make the call for yourself to avoid mistakes and avoid costly surprises.

Understand Your Health Care Rights

You have the following rights and protections as a health insurance purchaser and health care consumer:

Health Insurance Purchaser

Continuation of Coverage (COBRA). If you have insurance through an employer with 20 or more employees, you have the right to continue your health insurance for 18 months in case you leave or lose your job. There are [three qualifications](#) you must meet for COBRA, you must apply within a certain time and pay the full premium.

Health Insurance Portability and Accountability Act (HIPAA). In addition to guarding your health privacy, this legislation protects coverage for workers (and their families) in case of job loss or job change. This was an especially important advancement for

Health Care Consumer

Health Insurance Portability and Accountability Act (HIPAA) Privacy — Access to Health Records. Under HIPAA, you may request to view or receive copies of your health records (there may be a fee for copying). You may also request changes, corrections and additions to your health record.

Health Insurance Portability and Accountability Act (HIPAA) — Privacy. The HIPAA Privacy Rule protects your private health information in written, spoken or

individuals with pre-existing conditions who previously could be denied coverage for their condition(s).

Policy Cancellation. In the past, insurance companies could cancel your policy if you made a mistake in the application. Under current law, this is not permitted if you make a mistake or leave out information that is not relevant to your health. If you purposely mislead the company, however, your coverage can be cancelled retroactive to the time a claim was filed.

electronic formats. Under this rule, you specify who can access your health information.

Informed Consent. You have the right to receive information and ask questions about your treatment. Prior to engaging in a treatment plan, health care providers must provide you and/or your surrogate information about your diagnosis, recommended treatments and risks/benefits. This consent must be documented in your records.

There are numerous other rights and protections you have as a health care consumer. Check them out at [Health care.gov](https://www.healthcare.gov). Additionally, many states have their own laws, especially those related to balance billing. [Use this map](#) to locate your state insurance division and discover helpful information specific to your state.



Seek Reliable Information

Check your answer(s) below.

Have you ever questioned a medical provider about your health treatment plan?

☐ YES ☐ NO

Type any health condition into a web browser and you will get a variety of answers. What should you believe? Where do you double check information from your health provider, seek alternative plans or review the safety of treatments and facilities? And, where can you find reliable cost information?



Knowing where to find reliable information is key to controlling your health costs while getting safe diagnosis and treatment options.

Verify Information Found on the Internet	Work with a Health Service Provider	Check Safety, Options and Service Providers	Find Information About Coverages and Costs
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Verify Information Found on the Internet

Check for the following to spot credible websites:

1. **The URL suffix.** Usually sites ending in .com are commercial sites, .edu are educational sites, .gov are government, .org are nonprofit and .mil are military. However, anyone can publish a site using a suffix that is misleading. Search through the site to check out its legitimacy before trusting it.
2. **Who is the author of the site?** This information is often found in the “About” link. Look for specific credentials and other published works. Do an internet search for the author’s name and other publications or sites.
3. **What kind of information does the site have?** Has it been recently updated? What does it link to? Are other reliable sources used?
4. **What is the site’s purpose?** Evaluate if the site is trying to sell you something. For example, some sites related to health conditions want to sell you a supplement rather than give you unbiased information.

Work with a Health Services Provider

Check out the AHRQ video from U.S. Department of Health and Human Services. Found at https://www.youtube.com/watch?time_continue=112&v=BmQwfh-VkUM

Source: <https://www.ahrq.gov/patients-consumers/patient-involvement/ask-your-doctor/index.html>

<iframe width="560" height="315" src="https://www.youtube.com/embed/BmQwfh-VkUM" frameborder="0" allow="accelerometer; autoplay; encrypted-media; gyroscope; picture-in-picture" allowfullscreen></iframe>

Source: This video is content of The Agency for Health Care Research and Quality, which provides practical health care information, research findings and data to help consumers, health providers, health insurers, researchers and policymakers make informed decisions about health care issues. Any reference to a specific company, commercial product, process or service does not constitute or imply an endorsement or recommendation by State of Vermont or Smart About Money.

Most health care providers make you complete lengthy questionnaires about your history, habits, etc. Have you considered taking a similar approach with them? Instead of questioning the provider about their credentials — hopefully, you’ve done that before the appointment — prepare a list of questions about your condition, treatment options and concerns.

Viewing your health care providers as part of a team puts you in the driver's seat for decisions about your care. The following questions are based on information found at [The Agency for Health Care Research and Quality](#).

1. What condition is the test, procedure or treatment addressing?
2. Why do I need this test, procedure or treatment?
3. How many times have you performed this test, procedure or treatment?
4. When can I expect results?
5. Are there any alternatives?
6. What are the possible complications? What if I decline this test, treatment or procedure?
7. Which health care facility (hospital, out-patient center, etc.) is best for my needs?
8. How do you spell the name of that test, treatment or procedure?
9. Are there any side effects?
10. Will this test, treatment or procedure interact with anything else I'm already taking or doing?

After you've asked questions, you can say "no" to a treatment plan. This is a valid decision that comes down to your comfort with proposed treatment.

Check Safety, Options and Service Providers

Get reliable information when considering a treatment option or a health care provider. Use these resources to help your search:

- [Center for Disease Control \(CDC\)](#). Treatment options and preventive actions for certain diseases and conditions.
- [Healthfinder.gov](#). Among other topics offered at this U.S. Department of Health and Human Services site is MyHealthFinder suggesting preventive services for you based on age.
- [State Health and Human Services](#). Your state's Health and Human Services department has valuable information related to certificates, licenses, permits and safety ratings. Many states include information about treatments and preventive services.
- [Hospital Compare](#) The U.S. government's hospital safety rating site.
- [The Leapfrog Group](#). This national nonprofit organization focuses on quality and safety. The Leapfrog Hospital Survey and Leapfrog Hospital Safety Grade provide information for consumer protection and safety.

Find Information About Coverages and Costs

Finding health care pricing can be difficult. Completing your research before treatment gives you the ability to discuss prices with health providers. If you are insured, speak with your insurer or a human resources representative. Knowing the Medicare rate or what typical insurers pay helps the uninsured and individuals going out of network, disputing a bill or wanting to negotiate for services. Ultimately, asking for a "cash price" may be your best option no matter your insurance status.

For health care pricing, consult multiple sources, such as:

- [Centers for Medicare and Medicaid Services \(CMS\)](#) — A tool to search for provider information on payments for typical services and procedures. This is helpful information for negotiations.

- Prescription drug cost comparison sites, including your own health care provider and third-party sites such as [GoodRx.com](https://www.goodrx.com), which offers coupons and savings tips no matter your insurance coverage status.
- [Hospital Compare](https://www.hospitalcompare.hhs.gov/) — Federal government site which contains exhaustive safety information about U.S. hospitals.



Minimize Your Health Care Costs

Pay with Cash

Paying by cash for medical services and prescriptions can be tricky. Use these guidelines* to help:



Look at your health situation. If you rarely meet your deductible, paying by cash might be the way to go.



Research and compare pricing. Start with your insurer, if applicable; then use reliable sources to cost compare.



Be determined to get an answer. Transparency in pricing is not a goal for most health providers.

*Based on information from [Consumer Reports](#).

Minimize your health care costs by staying in network, understanding your coverage and considering these other actions.

1. **Ask for the “cash price.”** Even if you have insurance, you could be overpaying for medications and health services. For example, nearly 23 percent of prescriptions include a “clawback,” which is when your drug copay exceeds the total cost of the drug and the difference is paid back to your insurer or a pharmacy benefit manager (not the pharmacy). Reduced fees can be negotiated for diagnostic procedures, lab work and outpatient services.
2. **Get a preauthorization for any procedure or test.** Limit cost surprises by getting preauthorization from your insurer before having planned procedures or tests.
3. **Use distance health care.** Many insurers offer qualified personnel over the telephone for assistance with health needs. Look for the number on your insurance card or on the insurance website. [Teladoc](#) is a service offering their members remote or in-home access to health professionals.
4. **Take advantage of health center care.** Federally-funded health centers deliver cost-effective care regardless of your ability to pay. These community-based organizations are cost effective in providing primary, oral, mental, vision and substance abuse care. Use the [Find a Health Center](#) tool to locate one near you.
5. **Minimize your risks.** Monitor stress, stay physically active, eat healthy, sleep well and moderate substance use to limit health costs.
6. **Educate yourself.** Use the series of [Wellness Toolkits from the National Institutes of Health](#) to improve your health and well-being.



Verify Your Billing Records



Do you regularly review your medical bills to spot and correct errors? Mark your answer below.

- ☐ Yes
- ☐ No
- ☐ Haven't really thought about it

Review medical bills and explanations of benefits (EOB) for mistakes — especially within billing codes. Make sure your bill accurately reflects your treatment(s) and payments. Check with your insurer if something is not paid and you think it is an error. Follow these guidelines for medical billing.

- **Get a list of charges.** If you go to an emergency room, hospital or urgent care center, ask for and carefully review the list of charges.
- **Comb through paperwork.** Carefully review, item by item, the charges on your bill, payments by your insurer (on the explanation of benefits) and payments you have made.
- **Work with a patient advocate.** Many hospitals have patient advocates who can help you through negotiations of your medical bills from the facility.
- **Work with a professional medical billing advocate.** For a fee, these services can help you negotiate charges and avoid long-term consequences of draining your savings or filing for bankruptcy.
- **Get responses in writing.** Keep careful notes about conversations and correspondences with your health service provider.
- **Keep billing records in order.** Keep your billing, explanation of benefits and correspondence records in date order. Summarize what the next step will be if there are errors.



Deducting Medical and Dental Expenses From Taxes

Another reason to keep good billing records is that you may be able to deduct medical and dental expenses if you meet certain [IRS guidelines](#). If you are self-employed or otherwise work as an independent contractor, your health insurance premiums are deductible on federal income taxes. Ask your tax advisor regarding any implications of taking deductions.

Hone Your Skills for Challenging and Negotiating

Challenging a medical charge or insurance denial of service and negotiating for lower rates may not come naturally. Here are some guidelines for increasing your skills.

- **Follow the instructions.** Your insurance carrier provides instructions on how to file an appeal.
- **Be pleasant and respectful.** There is no need to treat the insurance staff or customer service person like a villain. Smile and be personable. You are more likely to receive the same or better treatment.
- **Rely on facts.** Complete your homework before you make contact so you know acceptable rates and understand your insurance coverages.
- **Know what you can pay.** Know how much you can afford for a medical service and what your insurer is paying to make a settlement offer.
- **Know what you want and explain it.** Discuss one thing at a time so you (and the person on the other end) can make progress.
- **Ask for follow-up.** Define the next step, who needs to approve plans and who will make contact next. If possible, set a date for the next conversation.



Particular to insurance denials, understand the process for appeal. [Patient Advocate Foundation](#) has resources available for working specifically with insurers as well as identifying advocates who can work with you.

Manage Your Health Records

How Do You Keep Your Health Records?



Choose one of the statements below to indicate how you keep your health records.

- ☐ I've never really thought about it.
- ☐ I save them, but I never look back at them.
- ☐ I save them, but I usually can't find what I'm looking for if I use them.
- ☐ I organize them by date or doctor.

Keep records of your past and present health conditions, including notes about exercise and dietary habits. Detail your health status to medical providers to identify the tests, lab work or procedures that are most likely to benefit you and not waste time or money. Track this information along with your appointment lists, medications, insurance claims and payment history.

You can keep this information in paper form, but you may want to consider automating your health records. The American Health Information Management Association (AHIMA) offers a tool to help you [Choose a PHR](#) (personal health record) app to suit your needs and your style.



Protect Yourself from Fraud

Especially if using online apps to track your health, use caution before revealing financial, health or other personal information.

If you suspect you are a victim of fraud, file a complaint at the [Federal Trade Commission's Online Complaint Assistant](#) and contact your local police.

My Personal Health Record

A personal health record lets you track health provider contact information, allergies and medications, personal medical history, family medical history and anything you do to stay healthy.

Use these steps to build a personal health record in an app or on paper.



1. **Gather** information for each member of your household related to immunizations, chronic illnesses, recent laboratory tests, current height/weight/BMI and history of hospitalizations or surgeries. You may need to request this information from your health provider(s).
2. **Organize** the health records for each household member including birthdate, contact information, emergency contacts, health care provider contact information and family history of diseases. For adults, identify existence of living wills, power-of-attorney, etc.
3. **Update** information regularly.

Complete a record for each person in your household, for all types of health care (e.g., medical, dental, vision, etc.).

PERSONAL HEALTH RECORD INFORMATION	HAVE	NEED
Legal name, contact information and birthdate		
Emergency contact information		
Blood type		
Height, weight and body mass index (BMI)		
Recent lab results		
Chronic health conditions (include age at onset)		
Prescription medications (include dosage and frequency)		
Over-the-counter medications (include dosage and frequency)		
Past illnesses (include dates)		
Immunizations (include dates)		
Surgeries (include dates)		
Primary doctor contact information		
Specialist contact information		
Family history summary (physical or mental health conditions)		
Copies of living will, power-of-attorney or organ donor card		

What other information would be important for you to tell a health provider? For example, what are your exercise, eating and drinking habits? Do you smoke or use controlled substances? List additional information here:

Section 4: Make a Plan

Now that you have analyzed your habits and reviewed strategies for controlling your health care costs, it's time to plan for paying for your health care needs now and in the future.

Use this section of the course to outline actions you can take to control how health care costs influence your financial future.

Set Your Health Care Cost Game Plan

How have you traditionally paid for your health care costs? Do you rely on insurance, credit cards or borrowing from family? How do these payment options affect your finances and will they work for you in the future?

Previously in the course, you reviewed your “must-haves” for health care and [summarized your annual health care costs](#). In this section of the course, you will devise an action plan to reduce your health care costs and cover expenditures to lower their impact on your financial life.

Reduce Your Health Care Costs

This course has presented several strategies to monitor and reduce health care costs. Which ones can you immediately employ and which ones will take some time to implement?

Move the strategy on the left to the time period in which you think you can accomplish it on the right. If the strategy does not apply to your situation, move it to the Not Applicable column.



My Plan to Reduce Health Care Costs

Strategy	1 to 3 Months	4 to 6 Months	7 to 9 Months	10 Months to 1 Year	More Than 1 Year	Not Applicable
Use employer-sponsored wellness programs, discount prescription or service cards, free preventive services or generic drugs.						
Negotiate for services with providers (either on my own or with an advocate).						
Seek private, employer, health exchange (marketplace), Medicare or other federal health coverage.						
Enroll in tax-advantaged health accounts (flexible spending, health reimbursement or health savings accounts).						

If military, look into additional options available for previous and current service.

Understand my health coverage through review of deductibles, copays, exclusions, etc.

Look for providers that are “in-network.”

Ask for “cash price” for medications and services.

Use remote health services through insurance provider or another service.

Investigate community centers for health services including oral, mental, vision and substance abuse care.

Monitor stress levels, be physically active, eat healthy, sleep well and control substance abuse.

Verify health-related billings, keep records and challenge or negotiate charges.

Create a Plan to Cover Health Care Costs

Over your lifetime, health care expenses will be one of the larger categories in your personal spending. Your premiums and out-of-pocket costs need to be part of your spending plan. And if you do not have employer-based coverage or if you experience income loss to pay for coverage, then you need a backup plan for your costs.

Make Health Care Costs Part of Your Financial Life

Use the My Annual Health Care Costs worksheet to estimate costs and make them part of your regular spending plan.

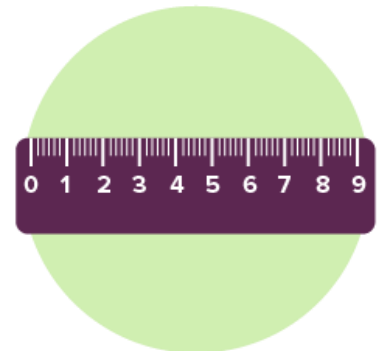
1. Use [SAM's Budget Wizard](#) to create a spending and savings plan that includes the health care expenses you've identified.
2. Start a savings fund strictly for health care and health emergencies.
3. Use [SAM's SMART Goals worksheet](#) to outline strategies for saving for medical expenses.
4. Identify [at least two other ways](#) you can pay for health care needs if you do not have insurance coverage.



Measure and Evaluate Your Progress

Periodically, check in with your progress on your plans for health care costs. Evaluating your progress helps identify next steps.

1. What is the first step you have to take, the second, the third, etc.? How will it look when you are finished with that step? For example, keep a list of prescribed medications for a health condition and the associated monthly costs to evaluate how this affects your finances. How can you minimize the impact to your monthly budget? What will you do with any extra money you save?
2. How will you monitor your progress toward the overall goal or action? What evidence will you have of this progress? For example, keep detailed records if you are negotiating a bill and make weekly reminders to follow up with the next conversation.
3. What will you do if you have questions or need additional help? Make a list of people to help you. For example, work with human resources to gain understanding about company-sponsored disability coverage when planning major surgery.
4. Who else can help you stay on track? Can you get your spouse/partner involved? Evaluate your progress with check-ins.



This is hard work, no doubt about it. So be sure to reward yourself every time you save money on health care.

Section 5: Conclusion

Health Care Cost Resources

Calculators

- Find out more about your qualifications for ACA exchange (marketplace) plans, income-based subsidies and Medicaid using [Kaiser Family Foundation's Health Insurance Marketplace Calculator](#).

Coverages and Costs

- [Centers for Medicare and Medicaid Services \(CMS\)](#) offers a look up tool where you can search for provider information on payments for typical services and procedures. This is helpful information for negotiations.
- [GoodRx.com](#) Prescription drug cost comparison sites, including your own health care provider and third-party sites such as GoodRx.com, which offers coupons and savings tips no matter your insurance coverage status.



Distance Health Care

- [Teladoc](#) is a service that offer members remote or in-home access to health professionals. Check with your insurance plan to see if telemedicine and/or in-home urgent care services are covered.

General Resources

- [The Agency for Health care Research and Quality has a host of information available to consumers, including questions to ask your doctor, steps to take after a diagnosis and taking prescribed medications.](#)
- [Benefits.gov](#) presents a confidential Benefit Finder tool to help you identify federal and state benefits for which you qualify. Use the following [tutorial](#) to help you.

Please embed video: [MB – embed video](#)

```
<div style="position:relative;height:0;padding-bottom:56.25%"><iframe  
src="https://www.youtube.com/embed/TRXWkIQtb0k?ecver=2" width="640" height="360"  
frameborder="0" style="position:absolute;width:100%;height:100%;left:0"  
allowfullscreen></iframe></div>
```

Found at <https://www.youtube.com/watch?v=TRXWkIQtb0k>

- [Health care.gov](#) offers help with ACA health exchange (marketplace) information, subsidies, enrollment and your rights as a health care consumer. Keep in mind that your state may have its own marketplace. [Local help is available](#) for finding assistance near you. Make sure the broker works with all insurance carriers offering exchange (marketplace) plans in your area.
- [Longtermcare.gov](#) offers information about long-term care, what is covered and costs. You can also use the Pathfinder to get information relevant to your current age and needs.
- [Medicare.gov](#) has information related to Medicare sign-up and coverages, Medigap and long-term care.
- [U. S. Department of Health & Human Services](#) (USHHS) offers information on health marketplace news, Medicare, Medicaid and other insurance topics.
- Use the series of [Wellness Toolkits from the National Institutes of Health](#) to improve your health and well-being.

Health Care Centers

- Federally-funded health centers deliver cost-effective care regardless of your ability to pay. These community-based organizations are cost effective in providing primary, oral, mental, vision and substance abuse care. Use the [Find a Health Center](#) tool to locate one near you.

Health Care Terminology

- The [glossary at Health care.gov](#) offers definitions of health care terminology.

Patient Advocacy

- Find patient advocates through your health insurance plan, the medical facility or office from which you are receiving care, or organizations such as the [Patient Advocate Foundation](#).

Safety, Treatment Options and Health Care Providers

- [Center for Disease Control \(CDC\)](#). Treatment options and preventive actions for certain diseases and conditions.
- [Healthfinder.gov](#). Among other topics offered at this U.S. Department of Health and Human Services site is MyHealthFinder suggesting preventive services for you based on age.
- [State Health and Human Services](#). Your state's Health and Human Services department has valuable information related to certificates, licenses, permits and safety ratings. Many states include information about treatments and preventive services.
- [Hospital Compare](#) The U.S. government's hospital safety rating site.
- [The Leapfrog Group](#). This national nonprofit organization focuses on quality and safety. The Leapfrog Hospital Survey and Leapfrog Hospital Safety Grade provide information for consumer protection and safety.

Summary of Benefits

- The National Association of Insurance Commissioners provides a [sample Summary of Coverage](#) to guide you through reviewing your own.

Tracking Your Health

- The U.S. Surgeon General has developed [My Family Health Portrait](#) to help you trace illnesses in your family.
- The [American Health Information Management Association \(AHIMA\)](#) is a national nonprofit professional association. Create a personal health record and increase your health care literacy.

Course Conclusion

Congratulations!

You have completed the My Health Care Costs Plan course. Check out SAM's other free courses to continue your personal finance journey:

SAM Money Basics

These topics form the foundation that underlies most financial decisions. Take all the Basics courses, or jump around to get a refresher based on the choices you face right now.

- ▶ [Employment](#)
- ▶ [Insurance](#)
- ▶ [Investing](#)
- ▶ [Spending and Saving](#)
- ▶ [Credit and Debt](#)



Additional Courses

Explore these SAM courses to develop personalized plans in the following areas:

- [My Earning Plan](#)
- [My Emergency Fund Plan](#)
- [My Financial Well-being Plan](#)
- [My Housing Plan](#)
- [My Life Events and Transitions Plan](#)
- [My Retirement Plan](#)
- [My Transportation Plan](#)

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